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Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 03-12, Covington and Florence, Kentucky, Cities Income Tax Withholding

Date: May 30, 2003

To: Holders of TAXES (State of Kentucky only)  
Personnel User Groups  
T&A Contact Points in Kentucky

Beginning with wages paid for Pay Period 11, the cities of Covington and Florence, Kentucky, will increase the maximum withholding wage base from \$84,900 to \$87,000. Also, the maximum annual withholding amount will increase from \$2,122.50 to \$2,175.00 for the city of Covington and from \$1,061.25 to \$1,087.50 for the city of Florence.

No action on the part of the employee or the personnel office is necessary.

To view and/or print the updated tax formula, go to the National Finance Center (NFC) home page ([www.nfc.usda.gov](http://www.nfc.usda.gov)) and click on **Pubs & Forms**. Then on the **Pubs & Forms** page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. Please refer questions about system access and other system-related issues to Customer Support at **504-255-5230** or via e-mail at [customer.support@usda.gov](mailto:customer.support@usda.gov). Refer questions about this bulletin to **504-255-5322** or via e-mail at [nfc.pvct@usda.gov](mailto:nfc.pvct@usda.gov).

PENNY W. FORBES, Acting Director  
Government Employees Services Division

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# Kentucky Cities Income Tax Information and Withholding Formula

## ► Effective Pay Period 11, 2003 ◄

1. Subtract nontaxable Federal Health Benefits Plan payments from the gross biweekly wages.
2. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
3. Determine the annual Kentucky city income tax withholding by applying the following guideline to the annual wages.

### Compute the City Income Tax Withholding For:

### By Multiplying the Annual Wages By:

	State/City Codes	Resident Percentage	Nonresident Percentage	City Tax Status (Duty Station=DS Residence=R)
Bowling Green	21/0350	1.50	1.50	DS
Covington	21/0800	2.50 <sup>1</sup>	2.50 <sup>1</sup>	DS
Florence	21/1150	1.25 <sup>2</sup>	1.25 <sup>2</sup>	DS
Frankfort	21/1220	1.75	1.75	DS, R
Lexington-Fayette	21/1980	2.25	2.25	DS
Louisville	21/2090	2.20	1.45	DS
Owensboro	21/2490	1.00	1.00	DS
Paducah (voluntary)	21/2520	1.50	1.50	
Richmond	21/2750	2.00	2.00	DS

<sup>1</sup> Maximum withholding wage base of ►\$87,000 (maximum annual withholding of \$2,175.00).◄

<sup>2</sup> Maximum withholding wage base of ►\$87,000 (maximum annual withholding of \$1,087.50).◄

**Note:** City tax is mandatory unless otherwise indicated.

4. Divide the annual Kentucky city income tax withholding by 26 to obtain the biweekly Kentucky city income tax withholding.